

SUMMARY ANALYSIS OF AMENDED BILL

Author: Speier Analyst: Nicole Kwon Bill Number: SB 1452
 Related Bills: See Prior Analysis Telephone: 845-7800 Amended Date: May 9, 2006
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Omnibus Audit Accountability Act Of 2006/Internal Audits

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENTS CONCERNS stated in the previous analysis of bill as introduced/amended _____.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO _____.

REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED March 27, 2006,

X STILL APPLIES.

OTHER – See comments below.

SUMMARY

This bill would enact the Omnibus Audit Accountability Act of 2006 and require an ongoing internal audit function on state and local agencies to safeguard public funds and the public trust.

This analysis addresses only those provisions of the bill affecting the Franchise Tax Board (FTB).

SUMMARY OF AMENDMENTS

The May 9, 2006, amendments resolved part of the Implementation Consideration identified in the department's analysis of the bill as amended March 27, 2006, by defining the term "a governing body." The balance of the department's Implementation Considerations along with the revenue estimate from the department's prior analysis are included below for convenience.

The remainder of the department's analysis of the bill as amended March 27, 2006, still applies.

Board Position:

_____ S _____ NA _____ NP
 _____ SA _____ O _____ NAR
 _____ N _____ OUA _____ X PENDING

Legislative Director

Date

Brian Putler

5/15/06

POSITION

Pending.

IMPLEMENTATION CONSIDERATIONS

The department has identified the following implementation concerns.

It is unclear whether FTB may need to establish “an audit committee” that meets the requirements stated under Section 13886 (b).

Currently, FTB has a functional reporting relationship between its chief internal auditor to the executive officer. It is unclear whether this operation meets the organizational independence and objectivity required under Section 13887 (a) (3) of this bill.

ECONOMIC IMPACT

This bill would not impact the amount of income tax revenue.

LEGISLATIVE STAFF CONTACT

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